

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 05161 162308Z

11

ACTION ARA-10

INFO OCT-01 ISO-00 PM-03 CIAE-00 INR-07 NSAE-00 AID-05

IGA-01 MC-02 ACDA-05 EB-07 COME-00 /041 W

----- 065769

R 162230Z MAY 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8778

INFO SECDEF WASHDC

LIMITED OFFICIAL USE CARCAS 5161

DEFENSE PASS TO DEFENSE MAPPING AGENCY (VADM KRAMER)

EO 11652 NA

TAGS: MASS VE

SUBJ: CODESUR AIRCRAFT

REF: CARACAS 4186

SUMMARY: THE VENEZUELAN NATIONAL MAPPING AGENCY RECENTLY INDICATED TO IAGS OFFICIALS THAT THERE IS A REASONABLE CHANCE THAT THIS AGENCY MAY BE ABLE TO OBTAIN FUNDS IN THE 1976 GOV BUDGET TO PURCHASE THE THREE HELICOPTERS AND, SEPARATELY, THE FIXED-WING AIRCRAFT PRESENTLY ON LOAN BY THE US TO THE GOV. THE EMBASSY RECOMMENDS THAT WE TAKE ADVANTAGE OF THIS OPPORTUNITY AND PROVIDE TO THE GOV PROPOSED PRICES FOR THESE AIRCRAFT. END SUMMARY

1. AS REPORTED REF, ON APR 17 THE VENEZUELAN MINISTER OF PUBLIC WORKS REQUESTED EXTENSION OF THE 1972 LOAN OF THREE UH-1H HELICOPTERS FOR USE IN CARTOGRAPHIC PROGRAMS IN SOUTHERN VENEZUELA. IN PREVIOUS MESSAGES, THE EMBASSY HAS SUGGESTED THAT THE US DONATE THESE HELICOPTERS AND THE U-1A FIXED-WING AIRCRAFT. THIS RECOMMENDATION WAS MADE IN ORDER TO RELIEVE THE US OF COSTS INCURRED IN THE SUPPORT OF THESE AIRCRAFT AND TO GAIN THE POLITICAL BENEFITS OF A DONATION. MOREOVER, THE VENEZUELAN MAPPING AGENCY (DIRECCION DE CARTOGRAFIA NACIONAL - DCN) WHICH CONTROLS THE AIRCRAFT MAINTAINED AT THAT TIME THAT IT WOULD NOT BE ABLE TO

LIMITED OFFICIAL USE

PAGE 02 CARACA 05161 162308Z

OBTAIN THE FUNDS TO PURCHASE THE AIRCRAFT.

2. IN RECENT CONTACTS WITH IAGS OFFICIALS, HOWEVER, THE DIRECTOR OF DCN HAS STATED THAT HE MAY BE ABLE TO OBTAIN FUNDS FOR THE PURCHASE OR LEASE OF THE HELICOPTERS, IF THE PRICE IS REASONABLE. HE ALSO EMPHASIZED THAT IT WAS IMPORTANT TO REACH AGREEMENT SOON ON THE TERMS OF SALE OR LEASE, SINCE HE WAS CURRENTLY PREPARING HIS PROGRAM AND APPROPRIATION REQUESTS FOR THE NEXT GOV ANNUAL BUDGET (JANUARY-DECEMBER, 1976).

3. IN THE EMBASSY'S VIEW THE REASONS UNDERLYING THIS SHIFT ARE THAT: (A) DCN BELIEVES THAT IT CAN MAINTAIN FIRMER CONTROL OVER THE AIRCRAFT IF IT OWNS THEM OUTRIGHT; AND (B) CURRENT RUMORS THAT THE VENEZUELAN AIR FORCE WILL PURCHASE SEVERAL HELICOPTERS ARE ENCOURAGING DCN OFFICIALS TO BELIEVE THAT THEY MAY BE ABLE TO SECURE FUNDS OF THEIR OWN FOR THEIR THREE HELICOPTERS.

4. THE EMBASSY BELIEVES WE SHOULD TAKE ADVANTAGE OF THE POSSIBILITY THAT THE DCN WILL OBTAIN FUNDS TO PURCHASE THE AIRCRAFT. A SALE WOULD ENABLE THE US TO AVOID ANY FUTURE RESPONSIBILITY FOR THE SUPPORT OF THESE AIRCRAFT. ACCORDINGLY, THE EMBASSY WOULD APPRECIATE RECEIVING AUTHORIZATION TO SELL THE HELICOPTERS AND THE AIRPLANE TO THE GOV. WE WOULD ALSO NEED A PRICE QUOTATION FOR EACH OF THESE TRANSACTIONS.

5. IN CONTRAST TO SELLING THE AIRCRAFT, A LEASING ARRANGMENT, EITHER ON A COST-REIMBURSABLE BASIS OR ON A FIXED-PRICE BASIS, HAS THE DRAWBACK OF LEAVING THE US RESPONSIBLE FOR THE CONTINUED MAINTENANCE AND SUPPORT OF THE AIRCRAFT. THE ADMINISTRATIVE BURDEN CREATED BY A COST-REIMBURSABLE CONTRACT WOULD BE EXCESSIVE AS WOULD BE THE POTENTIAL DOLLAR LOSS IN A FIXED PRICE LEASE SHOULD THERE BE ANY ACCIDENTS OR MAJOR UNSCHEDULED MAINTENANCE. COMPARING THE TWO METHODS OF LEASE, THE FIXED PRICE LEASE IS PREFERABLE, BECAUSE IT WOULD ELIMINATE THE ADMINISTRATIVE COSTS AND BURDENS INVOLVED IN DETAILED BOOKKEEPING PROCEDURES, WHICH IAGS IS NOT LOCALLY STAFFED TO ACCOMPLISH.

SHLAUDEMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY EQUIPMENT, AIRCRAFT, MILITARY PROCUREMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CARACA05161
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750174-0181
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750541/aaaablbr.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CARACAS 4186
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 SEP 2003 by ElyME>; APPROVED <01 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CODESUR AIRCRAFT
TAGS: MASS, VE, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006